

By: Flynn

H.B. No. 1920

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the Palo Duro River Authority, following  
3 recommendations of the Sunset Advisory Commission.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Sections 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, and 12,  
6 Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973,  
7 are amended to read as follows:

8 Sec. 1. By virtue of Section 59, Article XVI of the  
9 Constitution of the State of Texas, there is hereby created a  
10 conservation and reclamation district to be known as "Palo Duro  
11 Water District," [~~River Authority of Texas~~ (hereinafter sometimes  
12 referred to as the "Authority")] which shall be a governmental  
13 agency, a body politic and corporate, and a political subdivision  
14 of this state.

15 Sec. 2. The district [~~Authority~~] hereby created and  
16 established shall comprise all of the territory contained within  
17 the Counties of Hansford and Moore and the City of Stinnett  
18 [~~Ochiltree~~]. It is hereby found and determined that all of the land  
19 thus included in the district [~~Authority~~] will be benefited by the  
20 improvements to be acquired and constructed by the district  
21 [~~Authority~~], and that the district [~~Authority~~] is created to serve  
22 a public use and benefit.

23 Sec. 3. The district, inside or outside its boundaries,  
24 [~~Authority within its limits~~] is hereby empowered: (a) to develop,

1 construct or purchase dams and reservoirs. The district  
2 [~~Authority~~] is empowered to construct or to purchase all plants and  
3 other facilities necessary or useful for the purpose of providing a  
4 source of water supply and storing, processing such water and  
5 transporting and distributing it for irrigation, livestock  
6 raising, agricultural, municipal, domestic and industrial  
7 purposes. The district [~~Authority~~] shall at all times have power to  
8 develop or purchase additional sources of water and to improve,  
9 enlarge and extend its water system. The district [~~Authority~~] is  
10 also empowered to make contracts for the purchase of water; (b) in  
11 order to preserve and protect the purity of the waters of the state  
12 and of the district [~~Authority~~] and conserve and reclaim said  
13 waters for beneficial use by the inhabitants of the district  
14 [~~Authority~~], to provide all plants, works, facilities and  
15 appliances incident to or helpful or necessary to the collection,  
16 transportation, processing, disposal, and control of such waters  
17 for agricultural, municipal, domestic, oil field flooding, mining  
18 and industrial purposes; and (c) the district [~~Authority~~] is  
19 empowered to impound, store, control and conserve the storm and  
20 flood waters and the unappropriated flow waters [~~within the limits~~  
21 ~~of the Authority~~], including but not limited to the storm and flood  
22 waters and unappropriated flow waters of Palo Duro Creek and Horse  
23 Creek, [~~River and the tributaries thereof within and without its~~  
24 ~~watershed~~] by complying with the provisions of Chapter 1, Title  
25 128, Revised Civil Statutes of Texas, as amended.

26       Sec. 5. (a) The district may not construct a [~~No~~] dam or  
27 other facility [~~facilities~~] for impounding water [~~shall be~~

1 ~~constructed~~] until the plans therefor are approved by the  
2 commission [~~Texas Water Rights Commission~~]. The Authority is not  
3 authorized to develop or otherwise acquire underground sources of  
4 water.

5 (b) The district [~~Authority~~] may sell, trade, or otherwise  
6 dispose of any real or personal property deemed by the district  
7 [~~this Commission~~] not to be needed for district [~~Authority~~]  
8 purposes, subject to the terms of any deed of trust or other  
9 indenture [~~issued by the Commission~~].

10 Sec. 6. The district [~~Authority~~] is authorized to enter  
11 into contracts with cities and others for supplying water to them.  
12 The district [~~Authority~~] is also authorized to contract with any  
13 city for the rental or leasing of, or for the operation of the water  
14 production, water supply, and water filtration or purification [~~and~~  
15 ~~water supply~~] facilities of such city upon such consideration as  
16 the district [~~Authority~~] and the city may agree. Any such contract  
17 may be upon such terms and for such time as the parties may agree,  
18 and it may provide that it shall continue in effect until bonds  
19 specified therein and refunding bonds issued in lieu of such bonds  
20 are paid.

21 Sec. 7. The district [~~Authority~~] is empowered to obtain  
22 through appropriate hearings an appropriation permit or permits  
23 from the commission [~~Texas Water Rights Commission~~], as provided in  
24 Chapter 1 of Title 128, Revised Civil Statutes of 1925, as amended.  
25 Thereafter such permit, either upon application of the district  
26 [~~Authority~~] or at the will of the commission [~~Texas Water Rights~~  
27 ~~Commission~~], may be modified by the commission [~~said Commission~~]

1 after an appropriate hearing to increase or decrease the amount of  
2 water which may be appropriated~~[,]~~ and the amount which may be  
3 stored by the district [~~Authority~~] to meet fluctuating demands.  
4 ~~On[, either upon]~~ application by the district [~~Authority~~] or by its  
5 own action the commission [~~Texas Water Rights Commission~~] shall  
6 redetermine the maximum amount of water which the district  
7 [~~Authority~~] may store in its reservoir and in making such  
8 determination it shall consider the needs of the cities and others  
9 that purchase water from the district [~~Authority~~].

10       Sec. 8. The district [~~Authority~~] is authorized to acquire  
11 or construct within or without the boundaries of the district  
12 [~~Authority,~~] a dam or dams and all works, plants and other  
13 facilities necessary or useful for the purpose of impounding,  
14 processing and transporting water to cities and others for  
15 municipal, agricultural, domestic, industrial, oil field flooding,  
16 and mining purposes. The size of the dam and reservoir shall be  
17 determined by the board [~~Board of Directors~~], taking into  
18 consideration probable future increases in water requirements, and  
19 the size of the dam shall not be limited by the amount of water  
20 initially authorized by the commission [~~Texas Water Commission~~] to  
21 be impounded therein. [~~No dam or other facilities for impounding~~  
22 ~~water shall be constructed until the plans therefor are approved by~~  
23 ~~the Texas Department of Water Resources.~~]

24       Sec. 9. The district [~~Authority~~] is empowered to acquire  
25 land within or without the boundaries of the district [~~Authority~~],  
26 and to construct, lease or otherwise acquire all works, plants and  
27 other facilities necessary or useful for the purpose of diverting,

1 further impounding or storing water, processing such water and  
2 transporting it to cities and others for agricultural, municipal,  
3 domestic, industrial, oil field flooding, and mining purposes.

4       Sec. 10. (a) For the purpose of carrying out any power or  
5 authority conferred by this Act the district [~~Authority~~] shall have  
6 the right to acquire by condemnation in the manner provided by Title  
7 52, Revised Statutes, as amended, relating to eminent domain:

8           (1) the fee simple title to land and other property and  
9 easements (including land needed for the reservoir and dam and  
10 flood easements above the probable high water line around any such  
11 reservoirs) within the boundaries of the district [~~Authority~~]; and

12           (2) the fee simple title to land and other property and  
13 easements (except for land, other property, and easements to be  
14 used for a dam or dams or facilities for the impoundment or storage  
15 of water) outside the boundaries of the district [~~Authority~~].

16       (b) The district [~~Authority~~] is hereby declared to be a  
17 municipal corporation within the meaning of Article 3268 of said  
18 Title 52, except that the district [~~Authority~~] shall not have the  
19 right to so condemn any property which may be owned by any other  
20 political subdivision, city or town; provided, however, that as  
21 against persons, firms and corporations, or receivers or trustees  
22 thereof, who have the power of eminent domain, the fee title may not  
23 be condemned, but the district [~~Authority~~] may condemn only an  
24 easement. The amount of and character of interest in land, other  
25 property and easements thus to be acquired shall be determined by  
26 the board [~~Board of Directors~~].

27       Sec. 11. The district [~~Authority~~] herein created shall be

1 and it is hereby empowered to control, store, conserve, protect,  
2 distribute and utilize the storm and flood waters within the area of  
3 the district [~~Authority~~] for all useful purposes permitted by law;  
4 also, to carry out flood prevention and control measures within the  
5 district [~~Authority~~] and to prevent or aid in preventing damage to  
6 the lands of the district [~~Authority~~] and the soil and fertility  
7 thereof; to cooperate with all other districts, departments or  
8 agencies of the State Government, or any agency, representative,  
9 instrumentality or department of the United States Government; and  
10 to receive and accept technical and financial assistance therefrom  
11 in the accomplishment of the [~~said~~] purposes described by this  
12 section. The district [~~said Authority~~] is further authorized and  
13 empowered to purchase, construct, maintain, or in any other lawful  
14 manner to acquire, provide and develop all works, facilities,  
15 improvements, lands, easements and properties, which may be  
16 necessary or useful in fulfilling the purposes of the district  
17 [~~Authority~~] or any of them.

18       Sec. 12. The district [~~Authority~~] is authorized to acquire  
19 water appropriation permits from owners of permits. The district  
20 [~~Authority~~] is hereby empowered to lease or acquire rights in and to  
21 storage and storage capacity in any reservoir constructed or to be  
22 constructed by any person, firm, corporation or public agency or  
23 from the United States Government or any of its agencies.

24       SECTION 2. Sections 13(a), (b), (c), and (d), Chapter 438,  
25 Acts of the 63rd Legislature, Regular Session, 1973, are amended to  
26 read as follows:

27       (a) The board [~~Board of Directors of the Authority~~] shall

1 have the power to adopt and promulgate all reasonable regulations  
2 to secure, maintain, and preserve the sanitary condition of all  
3 water in and to flow into any reservoir owned by the district,  
4 [~~Authority~~] to prevent waste of water or the unauthorized use  
5 thereof, and to regulate residence, hunting, fishing, boating and  
6 camping, and all recreational and business privileges, along or  
7 around any such reservoir, [~~or any~~] body of land, or easement owned  
8 by the district [~~Authority~~].

9 (b) The district [~~Such Authority~~] may prescribe reasonable  
10 penalties for the breach of any regulation of the district  
11 [~~Authority~~], which penalties shall not exceed fines of more than  
12 Two Hundred Dollars (\$200.) [~~, or imprisonment for not more than~~  
13 ~~thirty (30) days, or may provide both such fine and such~~  
14 ~~imprisonment~~]. The penalties hereby authorized shall be in  
15 addition to any other penalties provided by the laws of Texas and  
16 may be enforced by complaints filed in the appropriate court of  
17 jurisdiction, provided, however, that no rule or regulation which  
18 provides a penalty for the violation thereof shall be in effect, as  
19 to enforcement of the penalty, until five (5) days next after the  
20 district [~~Authority~~] may have caused a substantive statement of the  
21 particular rule or regulation and the penalty for the violation  
22 thereof to be published, once a week for two (2) consecutive weeks  
23 in the county in which such reservoir is situated, or in any county  
24 in which it is partly situated. The substantive statement so to be  
25 published shall be as condensed as is possible to afford an  
26 intelligent direction of the mind to the act forbidden by the rule  
27 or regulation; one (1) notice may embrace any number of

1 regulations; there must be embraced in the notice advice that  
2 breach of the particular regulation, or regulations, will subject  
3 the violator to the infliction of a penalty and there also shall be  
4 included in the notice advice that the full text of the regulations  
5 sought to be enforced is on file in the principal office of the  
6 district [~~Authority~~], where the same may be read by any interested  
7 person. Five (5) days after the second publication of the notice  
8 hereby required, the advertised regulation shall be in effect, and  
9 ignorance of any such regulation shall not constitute a defense to a  
10 prosecution for the enforcement of a penalty and, the rules and  
11 regulations authorized hereby, after the required publication,  
12 shall judicially be known to the courts and shall be considered of a  
13 nature like unto that of valid penal ordinance of a city of the  
14 state.

15 (c) Any duly constituted peace officer, provided such  
16 officers meet the Texas Law Officers minimum certification  
17 requirements, shall have the power to make arrests when necessary  
18 to prevent or abate the commission of any offense against the  
19 regulations of the district [~~Authority~~], and against the laws of  
20 the State of Texas, when any such offense or threatened offense  
21 occurs upon any land, water or easement owned or controlled by the  
22 district [~~Authority~~], or to make such arrest at any place, in case  
23 of an offense involving injury or detriment to any property owned or  
24 controlled by such district [~~Authority~~].

25 (d) Territory may be annexed to the district [~~Authority~~],  
26 whether or not contiguous to the district [~~Authority~~], in the  
27 following manner:

1           (1) A petition praying for such annexation signed by  
2 fifty (50) or a majority, whichever number is smaller, of the  
3 resident, qualified voters of the territory or of duly incorporated  
4 cities or towns sought to be annexed shall be filed with the board.  
5 The petition shall describe the territory to be annexed by metes and  
6 bounds, or otherwise, unless such territory is the same as that  
7 contained within the boundaries of such city or town, in which event  
8 it shall be sufficient to state that the territory to be annexed is  
9 that which is contained within the boundaries of such city or town.

10           (2) If the board [~~Board of Directors~~] finds that the  
11 petition complies with and is signed by the number of qualified  
12 persons required by Subdivision (1) of this subsection, that the  
13 annexation would be to the best interest of the territory, city or  
14 town, and the district [~~Authority~~], and that the district  
15 [~~Authority~~] will be able to supply water, or cause water to be  
16 supplied to the territory, city, or town, it shall adopt a  
17 resolution stating the conditions, if any, under which such  
18 territory, city, or town may be annexed to the district  
19 [~~Authority~~], and shall fix a time and place when and where a hearing  
20 shall be held by the board on the question of whether the territory,  
21 city, or town sought to be annexed will be benefited by the  
22 improvements, works, and facilities then owned or operated or  
23 contemplated to be owned or operated by the district [~~Authority~~] or  
24 by the other functions of the district [~~Authority~~]. Notice of the  
25 adoption of such resolution stating the time and place of such  
26 hearing shall be published one (1) time in a newspaper of general  
27 circulation in the territory, city, or town sought to be annexed at

1 least ten (10) days prior to the date of such hearing. The notice  
2 shall describe the territory in the same manner in which it is  
3 required or permitted by this Act to be described in the petition.  
4 All persons interested may appear at such hearing and offer  
5 evidence for or against the proposed annexation. Such hearing may  
6 proceed in such order and under such rules as may be prescribed by  
7 said board, and the hearing may be recessed from time to time. If,  
8 at the conclusion of the hearing, the board [~~Board of Directors~~]  
9 finds that the property in such territory, city, or town will be  
10 benefited by the present or contemplated improvements, works, or  
11 facilities of the district [~~Authority~~], the board [~~Board of~~  
12 ~~Directors~~] shall adopt a resolution making a finding of such  
13 benefit and calling an election in the territory, city, or town  
14 proposed to be annexed stating therein the date of the election, the  
15 place or places of holding the same, the proposition to be voted on,  
16 and appointing a presiding judge for each voting place who shall  
17 appoint the necessary assistant judges and clerks to assist in  
18 holding the election.

19 Notice of such election shall be given by publishing a  
20 substantial copy of the resolution calling the election one (1)  
21 time in a newspaper of general circulation in the territory sought  
22 to be annexed to the district [~~Authority~~] at least ten (10) days  
23 before the date set for the election. Only constitutionally  
24 qualified electors who reside in the territory, city, or town  
25 sought to be annexed shall be qualified to vote in said election.  
26 Returns of the result of said election shall be made to the board.  
27 The board shall canvass the returns of the election and adopt a

1 resolution declaring the results thereof. If such resolution shows  
2 that a majority of the votes cast are in favor of annexation, the  
3 board shall by resolution annex said territory to the district  
4 [~~Authority~~], and such annexation shall thereafter be incontestable  
5 except in the manner and within the time for contesting the  
6 elections under the Texas Election Code, as amended.

7 (3) The board [~~Board of Directors~~], in calling an  
8 election on the proposition for annexation of territory, city, or  
9 town, may include as a part of the same proposition or a separate  
10 proposition for the assumption of its part of the tax-supported  
11 bonds of the district [~~Authority~~] then outstanding and those  
12 theretofore voted but not yet sold, and for the levy of an ad  
13 valorem tax on taxable property in said territory along with the tax  
14 in the rest of the district [~~Authority~~] for the payment thereof and  
15 the levying of maintenance taxes permitted by Section 27 of this  
16 Act, in which event the voting shall be restricted to  
17 constitutionally qualified electors. If such election fails, the  
18 annexed territory, city, or town shall be excluded from the  
19 district [~~Authority~~].

20 SECTION 3. Sections 14, 15, 16, 17, 18, and 19, Chapter 438,  
21 Acts of the 63rd Legislature, Regular Session, 1973, are amended to  
22 read as follows:

23 Sec. 14. The district [~~Authority~~] is authorized to  
24 establish or otherwise provide for public parks and recreation  
25 facilities, and to acquire land for such purposes within the  
26 district [~~Authority~~].

27 Sec. 15. In the event that the district [~~Authority~~], in the

1 exercise of the power of eminent domain or power of relocation, or  
 2 any other power granted hereunder, makes necessary the relocation,  
 3 raising, rerouting or changing the grade of, or altering the  
 4 construction of any highway, railroad, electric transmission line,  
 5 telephone or telegraph properties and facilities, or pipeline, all  
 6 such necessary relocation, raising, rerouting, changing of grade or  
 7 alteration of construction shall be accomplished at the sole  
 8 expense of the district [~~Authority~~].

9       Sec. 16. It shall not be necessary for the board [~~Board of~~  
 10 ~~Directors~~] to call a confirmation election or to hold a hearing on  
 11 the exclusion of lands or a hearing on the adoption of a plan of  
 12 taxation, but the ad valorem plan of taxation shall be used by the  
 13 district [~~Authority~~].

14       Sec. 17. (a) All powers of the district [~~Authority~~] shall  
 15 be exercised by the board. Each director of the board [~~a Board of~~  
 16 ~~Directors (sometimes herein referred to as the "Board"), each of~~  
 17 ~~whom~~] shall serve staggered, two-year terms that expire on December  
 18 31 of each year. [~~for a term of two (2) years except for the~~  
 19 ~~directors appointed by this Act. The following directors are hereby~~  
 20 ~~appointed:~~

<u>[DIRECTOR</u>	<u>RESIDENCE</u>	<u>TERM EXPIRING</u>
[ <del>Dee Jackson</del>	[ <del>Spearman, Hansford County, Texas</del>	[ <del>December 31, 1973</del>
[ <del>N. F. (Gus) Renner</del>	[ <del>Spearman, Hansford County, Texas</del>	[ <del>December 31, 1974</del>
[ <del>Robert V. Skinner</del>	[ <del>Spearman, Hansford County, Texas</del>	[ <del>December 31, 1973</del>

1	<del>[Bill Logsdon</del>	<del>Cruver, Hansford</del>	<del>December 31, 1974</del>
2		<del>County, Texas</del>	
3	<del>[Bob Urban</del>	<del>Perryton, Ochiltree</del>	<del>December 31, 1973</del>
4		<del>County, Texas</del>	
5	<del>[Delbert Timmons</del>	<del>Perryton, Ochiltree</del>	<del>December 31, 1974</del>
6		<del>County, Texas</del>	
7	<del>[Jerry Garrison</del>	<del>Perryton, Ochiltree</del>	<del>December 31, 1973</del>
8		<del>County, Texas</del>	
9	<del>[Robert D. Lemon</del>	<del>Perryton, Ochiltree</del>	<del>December 31, 1974]</del>
10		<del>County, Texas</del>	

11 (b) In ~~[December of 1973 and in]~~ December of each year,  
 12 ~~[hereafter]~~ the Commissioners Court of each county contained in the  
 13 district, except for Hutchinson County, and the city council of the  
 14 City of Stinnett [Authority] shall appoint a director or directors  
 15 ~~[from such county]~~ whose term or terms are about to expire. Any  
 16 vacancy shall be filled for the unexpired term by the governing body  
 17 of the appropriate county or city. Four (4) directors ~~[members of~~  
 18 ~~the Board of Directors]~~ shall be appointed by the Commissioners  
 19 Court of each county contained in the district, except for  
 20 Hutchinson County, and one director shall be appointed by the city  
 21 council of the City of Stinnett. Each [Authority, and each]  
 22 director shall reside in the county from which the director ~~[he]~~ is  
 23 appointed.

24 (c) Each director shall serve for the director's ~~[his]~~ term  
 25 of office as herein provided, and thereafter until the director's  
 26 ~~[his]~~ successor shall be appointed and qualified. No person shall  
 27 be appointed a director unless the person ~~[he]~~ resides in and owns

1 taxable property in the county or city from which the person [~~he~~] is  
2 appointed. No member of a governing body of a county or the City of  
3 Stinnett, and no employee of a county or the City of Stinnett shall  
4 be appointed as director. Such directors shall subscribe the  
5 Constitutional oath of office, and each shall give bond for the  
6 faithful performance of the director's [~~his~~] duties in the amount  
7 of Five Thousand Dollars (\$5,000.), the cost of which shall be paid  
8 by the district [~~Authority~~]. A majority shall constitute a quorum.  
9 If any director moves from the county or city from which the  
10 director [~~he~~] is appointed or otherwise ceases to be a director, the  
11 Commissioners Court of such county or the city council of the City  
12 of Stinnett, as appropriate, shall appoint a director to succeed in  
13 the position [~~him,~~] for the unexpired term.

14 (d) Unless the board by resolution increases the fee to an  
15 amount authorized by Section 49.060, Water Code, each [~~Each~~]  
16 director shall receive a fee of not to exceed Twenty-Five Dollars  
17 (\$25.) for attending each meeting of the board [~~Board~~], provided  
18 that no more than Fifty Dollars (\$50.) shall be paid to any director  
19 for meetings held in any one (1) calendar month. Each director  
20 shall also be entitled to receive not to exceed Twenty-Five Dollars  
21 (\$25.) per day devoted to the business of the district [~~Authority~~]  
22 and to reimbursement for actual expenses incurred in attending to  
23 district [~~Authority~~] business provided that such service and  
24 expense are expressly approved by the board [~~Board~~].

25 Sec. 18. The board [~~Board of Directors~~] shall elect from its  
26 number a president and a vice president of the district  
27 [~~Authority~~], and such other officers as in the judgment of the board

1 ~~[Board]~~ are necessary. The president shall be the chief executive  
2 officer of the district ~~[Authority]~~ and the presiding officer of  
3 the board ~~[Board]~~, and shall have the same right to vote as any  
4 other director. The vice president shall perform all duties and  
5 exercise all powers conferred by this Act upon the president when  
6 the president is absent or fails or declines to act except the  
7 president's right to vote. The board ~~[Board]~~ shall also appoint a  
8 secretary and a treasurer who may or may not be members of the board  
9 ~~[Board]~~, and it may combine those offices. The treasurer shall give  
10 bond in such amount as may be required by the board ~~[Board of~~  
11 ~~Directors]~~. The condition of such bond shall be that the treasurer  
12 ~~[he]~~ will faithfully account for all money which shall come into the  
13 treasurer's ~~[his]~~ custody as treasurer of the district ~~[Authority]~~,  
14 and the board ~~[Board]~~ may adopt a seal for the district ~~[Authority]~~.

15       Sec. 19. The board ~~[Board of Directors]~~, from time to time,  
16 shall be authorized to make or cause to be made surveys and  
17 engineering investigations for the information of the district  
18 ~~[Authority]~~ to facilitate the accomplishment of the purposes for  
19 which the district ~~[Authority]~~ is created; and may employ a general  
20 manager, attorneys, accountants, engineers, or other technical or  
21 nontechnical employees or assistants; fix the amount and manner of  
22 their compensation; and may provide for the payment of expenditures  
23 deemed essential to the proper maintenance of the district  
24 ~~[Authority]~~ and its affairs. The power to employ and discharge  
25 employees may be conferred upon the general manager.

26       SECTION 4. Sections 20(a), (b), (d), (e), (f), (g), (h), and  
27 (i), Chapter 438, Acts of the 63rd Legislature, Regular Session,

1 1973, are amended to read as follows:

2 (a) For the purpose of providing a source of water supply  
3 for cities and other users for agricultural, municipal, domestic,  
4 industrial, oil field flooding, and mining purposes, as authorized  
5 by this Act, and for the purpose of carrying out any other power or  
6 authority conferred by this Act, the district [~~Authority~~] is  
7 empowered to issue its negotiable bonds to be payable from revenues  
8 or taxes or both revenues and taxes of the district [~~Authority~~] as  
9 are pledged by resolution of the board [~~Board of Directors~~].  
10 Pending the issuance of definitive bonds the board [~~Board~~] may  
11 authorize the delivery of negotiable interim bonds or notes,  
12 eligible for exchange or substitution by use of the definitive  
13 bonds.

14 (b) Such bonds shall be authorized by resolution of the  
15 board [~~Board of Directors~~] and shall be issued in the name of the  
16 district [~~Authority~~], signed by the president or vice president,  
17 attested by the secretary and shall bear the seal of the district  
18 [~~Authority~~]. It is provided, however, that the signatures of the  
19 president or of the secretary or of both may be printed or  
20 lithographed on the bonds if authorized by the board [~~Board of~~  
21 ~~Directors~~], and that the seal of the district [~~Authority~~] may be  
22 impressed on the bonds or may be printed or lithographed thereon.  
23 The bonds shall mature serially or otherwise in not to exceed forty  
24 (40) years and may be sold at a price and under terms determined by  
25 the board [~~Board of Directors~~] to be the most advantageous  
26 reasonably obtainable[, ~~provided that the interest cost to the~~  
27 ~~Authority, including the discount, if any, shall bear interest at~~

1 ~~any rate per annum permitted by the Constitution and laws of the~~  
2 ~~State as shall be determined by the Board of Directors,~~] and within  
3 the discretion of the board [~~Board~~] may be made callable prior to  
4 maturity at such times and prices as may be prescribed in the  
5 resolution authorizing the bonds, and may be made registrable as to  
6 principal or as to both principal and interest.

7 (d) The bonds may be secured by a pledge of all or part of  
8 the net revenue of the district [~~Authority~~], or by the net revenues  
9 of any one (1) or more contracts theretofore or thereafter made or  
10 other revenue or income specified by resolution of the board [~~Board~~  
11 ~~of Directors~~] or in the trust indenture. Any such pledge may  
12 reserve the right, under conditions therein specified, to issue  
13 additional bonds which will be on a parity with or subordinate to  
14 the bonds then being issued. The term "net revenues" as used in  
15 this Section shall mean the gross revenues and income of the  
16 district [~~Authority~~] from all sources after deduction of the amount  
17 necessary to pay the cost of maintaining and operating the district  
18 [~~Authority~~] and its properties.

19 (e) The district [~~Authority~~] is also empowered to issue  
20 bonds payable from ad valorem taxes to be levied on all taxable  
21 property therein, or to issue bonds secured by and payable from both  
22 such taxes and the revenues of the district [~~Authority~~]. Where  
23 bonds are issued payable wholly or partially from ad valorem taxes,  
24 it shall be the duty of the board [~~Board of Directors~~] to levy a tax  
25 sufficient to pay the bonds and the interest thereon as such bonds  
26 and interest become due without limit as to the rate or the amount,  
27 but the rate of the tax for any year may be fixed after giving

1 consideration to the money received from the pledged revenues which  
2 may be available for payment of principal and interest to the extent  
3 and in the manner permitted by the resolution authorizing the  
4 issuance of the bonds.

5 (f) Where bonds payable wholly from revenues are issued, it  
6 shall be the duty of the board [~~Board of Directors~~] to fix, and from  
7 time to time to revise, the rates of compensation for water sold and  
8 services rendered by the district [~~Authority~~] which will be  
9 sufficient to pay the expense of operating and maintaining the  
10 facilities of the district [~~Authority~~] and to pay the bonds as they  
11 mature and the interest as it accrues and to maintain the reserve  
12 and other funds as provided in the resolution authorizing the  
13 bonds. Where bonds payable partially from revenues are issued it  
14 shall be the duty of the board [~~Board~~] to fix, and from time to time  
15 to revise, the rate of compensation for water sold and services  
16 rendered by the district [~~Authority~~] which will be sufficient to  
17 assure compliance with the resolution authorizing the bonds.

18 (g) From the proceeds from the sale of the bonds, the  
19 district [~~Authority~~] may set aside an amount for the payment of  
20 interest expected to accrue during construction and a reserve  
21 interest and sinking fund, and such provision may be made in the  
22 resolution authorizing the bonds. Proceeds from the sale of the  
23 bonds may also be used for the payment of all expenses necessarily  
24 incurred in accomplishing the purpose for which this district  
25 [~~Authority~~] is created, including expenses of issuing and selling  
26 the bonds. The proceeds from the sale of the bonds may be  
27 temporarily invested in direct obligations of the United States

1 Government maturing in not more than one (1) year from the date of  
2 investment.

3 (h) In the event of a default or a threatened default in the  
4 payment of principal or of interest on bonds payable wholly or  
5 partially from revenues, any court of competent jurisdiction may,  
6 upon petition of the holders of outstanding bonds, appoint a  
7 receiver with authority to collect and receive all income of the  
8 district [~~Authority~~] except taxes, employ and discharge agents and  
9 employees of the district [~~Authority~~], take charge of funds on hand  
10 (except funds received from taxes unless commingled) and manage the  
11 proprietary affairs of the district [~~Attorney~~] without consent or  
12 hindrance by the directors [~~Directors~~]. Such receiver may also be  
13 authorized to sell or make contracts for the sale of water or renew  
14 such contracts with the approval of the court appointing him. The  
15 court may vest the receiver with such other powers and duties as the  
16 court may find necessary for the protection of the holders of the  
17 bonds. The resolution authorizing the issuance of the bonds or the  
18 trust indenture securing the bonds [~~them~~] may limit or qualify the  
19 rights of the holders of less than all of the outstanding bonds  
20 payable from the same source to institute or prosecute any  
21 litigation affecting the district's [~~Authority's~~] property or  
22 income.

23 (i) Before the district [~~Authority~~] shall issue any bonds  
24 for improvements authorized herein, it shall secure prior approval  
25 from the commission [~~Texas Water Rights Commission~~] in the manner  
26 provided by Section 51.421, Texas Water Code.

27 SECTION 5. Sections 21 and 22, Chapter 438, Acts of the 63rd

1 Legislature, Regular Session, 1973, are amended to read as follows:

2       Sec. 21. The district [~~Authority~~] is authorized to issue  
3 refunding bonds for the purpose of refunding any outstanding bonds  
4 authorized by this Act and interest thereon. Such refunding bonds  
5 may be issued to refund more than one (1) series of outstanding  
6 bonds and combine the pledges for the outstanding bonds for the  
7 security of the refunding bonds, and may be secured by other or  
8 additional revenues and mortgage liens. The provisions of this law  
9 with reference to the issuance by the district [~~Authority~~] of other  
10 bonds, their security, and their approval by the Attorney General  
11 and the remedies of the holders shall be applicable to refunding  
12 bonds. Refunding bonds shall be registered by the Comptroller upon  
13 surrender and cancellation of the bonds to be refunded, but in lieu  
14 thereof, the resolution authorizing their issuance may provide that  
15 they shall be sold and the proceeds thereof deposited in the bank  
16 where the original bonds are payable, in which case the refunding  
17 bonds may be issued in an amount sufficient to pay the principal of  
18 and the interest on the original bonds to their option date or  
19 maturity date, and the Comptroller shall register them without  
20 concurrent surrender and cancellation of the original bonds.

21       Sec. 22. Any bonds (including refunding bonds) authorized  
22 by this law, not payable wholly from ad valorem taxes, may be  
23 additionally secured by a trust indenture under which the Trustee  
24 may be a bank having trust powers situated either within or outside  
25 of the State of Texas. Such bonds, within the discretion of the  
26 board [~~Board of Directors~~], may be additionally secured by a deed of  
27 trust or mortgage lien upon physical properties of the district

1 ~~[Authority]~~ and all franchises, easements, water rights and  
2 appropriation permits, leases and contracts and all rights  
3 appurtenant to such properties vesting in the trustee power to sell  
4 the properties for the payment of the indebtedness, power to  
5 operate the properties and all other powers and authority for the  
6 further security of the bonds. Such trust indenture, regardless of  
7 the existence of the deed of trust or mortgage lien on the  
8 properties may contain any provisions prescribed by the board  
9 ~~[Board of Directors]~~ for the security of the bonds and the  
10 preservation of the trust estate, and may make provision for  
11 amendment or modification thereof and the issuance of bonds to  
12 replace lost or mutilated bonds, and may condition the right to  
13 expend district ~~[Authority]~~ money or sell district ~~[Authority]~~  
14 property upon approval of a registered professional engineer  
15 selected as provided therein, and may make provision for the  
16 investment of funds of the district ~~[Authority]~~. Any purchaser  
17 under a sale under the deed of trust lien, where one is given, shall  
18 be the absolute owner of the properties, facilities and rights so  
19 purchased and shall have the right to maintain and operate the same.

20 SECTION 6. Sections 23(a), (b), and (c), Chapter 438, Acts  
21 of the 63rd Legislature, Regular Session, 1973, are amended to read  
22 as follows:

23 (a) No bonds payable wholly or partially from ad valorem  
24 taxes (except refunding bonds) shall be issued unless authorized by  
25 a majority vote of the constitutionally qualified electors voting  
26 at such election. ~~[No territory shall be detached from the~~  
27 ~~Authority after the issuance of bonds which are payable from~~

1 ~~revenues or taxes or both.~~] Bonds not payable wholly or partially  
2 from ad valorem taxes may be issued without an election.

3 (b) Such election may be called by the board [~~Board of~~  
4 ~~Directors~~] without a petition. The resolution calling the election  
5 shall specify the time and places of holding the same, the purpose  
6 for which the bonds are to be issued, the maximum amount thereof,  
7 the maximum maturity thereof, the form of the ballot, and the  
8 presiding judge for each voting place. The presiding judge serving  
9 at each voting place shall appoint one (1) assistant judge and at  
10 least two (2) clerks to assist in holding such election. Notice of  
11 the election shall be given by publishing a substantial copy  
12 thereof in one (1) newspaper published in each city contained in the  
13 district [~~Authority~~] for two (2) consecutive weeks. The first  
14 publication shall be at least twenty-one (21) days prior to the  
15 election. In any city in which no newspaper is published, notice  
16 shall be given by posting a copy of the resolution in three (3)  
17 public places.

18 (c) The returns of the election shall be made to and  
19 canvassed by the board [~~Board of Directors of the Authority~~].

20 SECTION 7. Sections 24, 25, 26, and 27, Chapter 438, Acts of  
21 the 63rd Legislature, Regular Session, 1973, are amended to read as  
22 follows:

23 Sec. 24. After any bonds (including refunding bonds) are  
24 authorized by the district [~~Authority~~], such bonds and the record  
25 relating to their issuance shall be submitted to the Attorney  
26 General for [~~his~~] examination as to the validity thereof. Where  
27 such bonds recite that they are secured by a pledge of the proceeds

1 of a contract theretofore made between the district [~~Authority~~] and  
2 any city or other governmental agency, authority or district, a  
3 copy of such contract and the proceedings of the city or other  
4 governmental agency, authority or district authorizing such  
5 contract shall also be submitted to the Attorney General. If such  
6 bonds have been authorized and if such contracts have been made in  
7 accordance with the Constitution and laws of the State of Texas the  
8 Attorney General [~~he~~] shall approve the bonds and such contracts  
9 and the bonds then shall be registered by the Comptroller of Public  
10 Accounts. Thereafter the bonds, and the contracts, if any, shall be  
11 valid and binding and shall be incontestable for any cause.

12       Sec. 25. All bonds of the district [~~Authority~~] shall be and  
13 are hereby declared to be legal and authorized investments for  
14 banks, savings banks, trust companies, building and loan  
15 association, savings and loan association, insurance companies,  
16 fiduciaries, trustees, guardians, and for the sinking fund of  
17 cities, towns, villages, counties, school districts, or other  
18 political corporations or subdivisions of the State of Texas. Such  
19 bonds shall be eligible to secure the deposit of any and all public  
20 funds of the State of Texas, and any and all public funds of cities,  
21 towns, villages, counties, school districts, or other political  
22 corporations or subdivision of the State of Texas; and such bonds  
23 shall be lawful and sufficient security for said deposits to the  
24 extent of their value, when accompanied by all unmatured coupons  
25 appurtenant thereto.

26       Sec. 26. The accomplishment of the purposes stated in this  
27 Act is for the benefit of the people of this state and for the

1 improvement of their properties and industries, and the district  
2 [~~Authority~~], in carrying out the purposes of this Act will be  
3 performing an essential public function under the Constitution.  
4 The district [~~Authority~~] shall not be required to pay any tax or  
5 assessment on the project or any part thereof, and the bonds issued  
6 hereunder and their transfer and the income therefrom, including  
7 the profits made on the sale thereof, shall at all times be free  
8 from taxation within this state.

9       Sec. 27. The district [~~Authority~~] may upon a favorable  
10 majority vote of the qualified property taxpaying electors of the  
11 district [~~Authority~~], voting at an election held within the  
12 boundaries of the district [~~Authority~~] for that purpose, levy,  
13 assess and collect annual taxes to provide funds necessary to  
14 construct or acquire, maintain and operate dams, works, plants and  
15 facilities deemed essential or beneficial to the district  
16 [~~Authority~~] and its purposes, and also when so authorized may levy,  
17 assess and collect annual taxes as provided by the Tax Code to  
18 provide funds adequate to defray the cost of the maintenance,  
19 operation and administration of the district [~~Authority~~];  
20 provided, however, that the district [~~Authority~~] shall not have the  
21 power to levy or collect a tax for the maintenance, operation, and  
22 administration of the district [~~Authority~~] which exceeds fifty  
23 cents (50¢) on the One Hundred Dollars (\$100) assessed valuation on  
24 the property subject to taxation. Elections for the levy of such  
25 taxes shall be ordered by the board [~~Board of Directors~~] and shall  
26 be held and conducted in the manner provided by this law relating to  
27 elections for the authorization of bonds. The board [~~Board of~~

1 ~~Directors]~~ shall designate such polling places as they deem fitting  
2 and proper. ~~[All taxes levied by the Authority for any purpose~~  
3 ~~shall constitute a lien on the property against which levied and~~  
4 ~~shall not bar the enforcement or collection thereof.]~~

5 SECTION 8. Sections 28(a), (b), (d), (e), (f), and (h),  
6 Chapter 438, Acts of the 63rd Legislature, Regular Session, 1973,  
7 are amended to read as follows:

8 (a) The tax rolls of the counties situated within the  
9 district ~~[Authority,~~ are hereby adopted and shall constitute the  
10 tax rolls of the district ~~[Authority,~~ until assessment and tax  
11 rolls shall be made by the district ~~[Authority]~~.

12 (b) If the district ~~[Authority]~~ issues and delivers bonds  
13 which are payable wholly or partially from ad valorem taxes, or  
14 votes the taxes as provided in Section 27 ~~[of the Authority's Act]~~,  
15 the board annually shall cause the taxable property in the district  
16 ~~[Authority]~~ to be rendered and assessed for ad valorem taxation,  
17 and the value of such taxable property to be equalized, and the ad  
18 valorem taxes in the district ~~[Authority]~~ to be collected, in  
19 accordance with any of the methods set forth in this section, and  
20 any method adopted shall remain in effect until changed by the  
21 board.

22 (d) The laws of this State applicable to counties may be  
23 adopted and shall be used to the extent pertinent and practicable,  
24 provided that the board shall have the authority to act as its own  
25 board of equalization or to appoint three resident, qualified  
26 electors of the district ~~[Authority]~~ who own taxable property  
27 therein to act as the board of equalization of the district

1 ~~[Authority]~~, and in either case the board of equalization shall  
2 qualify and perform the duties prescribed by law for county  
3 commissioners courts acting as boards of equalization.

4 (e) The board shall be authorized to have the taxable  
5 property in the district ~~[Authority]~~ assessed, its values  
6 equalized, and/or its taxes collected, in whole or in part, by the  
7 tax assessors, board of equalization, and/or tax collectors,  
8 respectively, of any county, city, taxing district, or other  
9 governmental subdivision in which all or any part of the district  
10 ~~[Authority]~~ is located; and such property may be assessed and the  
11 values thereof equalized on the same basis or a different basis than  
12 that used by any such governmental subdivision. Such property  
13 shall be assessed, the values thereof equalized, and such taxes  
14 collected in the manner and for such compensation as shall be agreed  
15 on between the appropriate parties, and the functions thus assumed  
16 by the officials of any such governmental subdivision shall be  
17 additional duties pertaining to their offices, respectively. The  
18 ad valorem tax law applicable to each such governmental subdivision  
19 shall apply to its officials in carrying out such functions for the  
20 district ~~[Authority]~~.

21 (f) It is specifically provided, however, that under any  
22 method used all taxable property within the district ~~[Authority]~~  
23 shall be assessed on the same basis, and the values thereof shall be  
24 equalized by only one board of equalization, in an equal and uniform  
25 manner, as required by the Texas Constitution. If the board desires  
26 that taxable property shall be assessed and taxes collected by the  
27 tax assessors and/or collectors of more than one governmental

1 subdivision, the board shall either act as its own board of  
2 equalization or appoint three resident, qualified electors of the  
3 district [~~Authority~~] who own taxable property therein to act as the  
4 board of equalization, and in either case the board of equalization  
5 shall qualify and perform the duties prescribed by law for county  
6 commissioners courts acting as boards of equalization.

7 (h) If the district [~~Authority~~] issues and delivers bonds  
8 payable wholly or partially from ad valorem taxes, the board  
9 [~~Board~~] shall levy and cause to be assessed and collected ad valorem  
10 taxes sufficient to pay the interest on and principal of said bonds,  
11 without limit as to the rate or the amount [~~, after giving~~  
12 ~~consideration to any revenues that may be pledged to the payment of~~  
13 ~~bonds~~].

14 SECTION 9. Chapter 438, Acts of the 63rd Legislature,  
15 Regular Session, 1973, is amended by amending Section 29 and adding  
16 Sections 1B, 3A, 3B, 3C, 13A, 19A, 19B, 19C, 19D, 19E, 19F, and 19G  
17 to read as follows:

18 Sec. 29. (a) The board [~~Board of Directors~~] shall designate  
19 one (1) or more banks within the district [~~Authority~~] to serve as  
20 depository for the funds of the district [~~Authority~~]. All funds of  
21 the district [~~Authority~~] shall be deposited in such depository bank  
22 or banks except that funds pledged to pay bonds may be deposited  
23 with the trustee bank named in the trust agreement, and except that  
24 funds shall be remitted to the bank of payment for the payment of  
25 principal of and interest on bonds. To the extent that funds in the  
26 depository banks and the trustee bank are not insured by the  
27 F.D.I.C. they shall be secured in the manner provided by law for the

1 security of county funds.

2 (b) Before designating a depository bank or banks, the board  
3 [~~Board of Directors~~] shall issue a notice stating the time and place  
4 when and where the board [~~Board~~] will meet for such purpose and  
5 inviting the banks in the district [~~Authority~~] to submit  
6 applications to be designated depositories. The term of service  
7 for depositories shall be prescribed by the board [~~Board~~]. Such  
8 notice shall be published one (1) time in a newspaper or newspapers  
9 published in the district [~~Authority~~] and specified by the board  
10 [~~Board~~].

11 (c) At the time mentioned in the notice, the board [~~Board~~]  
12 shall consider the applications and the management and condition of  
13 the banks filing them, and shall designate as depositories the bank  
14 or banks which offer the most favorable terms and conditions for the  
15 handling of the funds of the district [~~Authority~~] and which the  
16 board [~~Board~~] finds have proper management and are in condition to  
17 warrant handling of district [~~Authority~~] funds. Membership on the  
18 board [~~Board of Directors~~] of an officer or director of a bank shall  
19 not disqualify such bank from being designated as depository.

20 (d) If no applications are received by the time stated in  
21 the notice, the board [~~Board~~] shall designate some bank or banks  
22 within or without the district [~~Authority~~] upon such terms and  
23 conditions as it may find advantageous to the district [~~Authority~~].

24 Sec. 1B. In this Act:

25 (1) "Board" means the district's board of directors.

26 (2) "Commission" means the Texas Commission on  
27 Environmental Quality.

1           (3) "Director" means a member of the board.

2           (4) "District" means the Palo Duro Water District.

3           (5) "Member entity" means a county or municipality  
4 that is a member of the district.

5           Sec. 3A. The district may:

6           (1) develop and generate electric energy by means of  
7 renewable energy resources inside the boundaries of the district;  
8 and

9           (2) distribute and sell electric energy to:

10           (A) an entity that operates in the Electric  
11 Reliability Council of Texas power region;

12           (B) an entity that operates in the Southwest  
13 Power Pool power region; or

14           (C) an electric cooperative, as defined by  
15 Section 161.002, Utilities Code, that operates in this state.

16           Sec. 3B. Section 3A does not require an entity described by  
17 that section to build a new transmission line. Grid  
18 interconnection made for the purposes of Section 3A does not  
19 subject an entity described by that section to the jurisdiction of  
20 the Federal Energy Regulatory Commission and does not affect the  
21 jurisdiction of the Federal Energy Regulatory Commission over an  
22 entity over which the commission already has jurisdiction.

23           Sec. 3C. The district may:

24           (1) lease the hunting rights on property owned by the  
25 district; and

26           (2) develop, manage, or lease property owned by the  
27 district for any recreational purpose.

1       Sec. 13A. (a) A county or municipality may withdraw from  
2 the district or the district may dissolve according to this  
3 section.

4       (b) In order to withdraw from the district or to dissolve  
5 the district, the governing body of a member entity must issue an  
6 order or pass a resolution declaring the intent to withdraw from or  
7 dissolve the district. The order or resolution must state:

8           (1) the intention to either withdraw from the district  
9 or call for the dissolution of the district; and

10           (2) the reasons supporting the withdrawal or  
11 dissolution.

12       (c) Not later than the 30th day after the date the district  
13 receives an order or resolution under Subsection (b), the district  
14 shall hold a public hearing on the matter described by the order or  
15 resolution.

16       (d) In the event of a proposed withdrawal or dissolution  
17 under this section, the member entities must reach a financial  
18 agreement that:

19           (1) for a withdrawal of a county or municipality from  
20 the district, provides for sufficient revenue for maintaining the  
21 Palo Duro Reservoir and the dam that impounds the water in the  
22 reservoir; or

23           (2) for a dissolution of the district, provides for  
24 the transfer of:

25                   (A) the ownership rights of the dam to an entity  
26 that assumes responsibility for the maintenance of the dam and  
27 liability for actions related to the dam;

1           (B) all assets and liabilities of the district to  
2 other entities; and

3           (C) the responsibility for the continued  
4 provision of services, if the district provides services.

5           (e) The board must provide an opportunity for the public to  
6 comment on the financial agreement described by Subsection (d)  
7 before the board votes as described by Subsection (f). The period  
8 for public comment must last not less than 10 days.

9           (f) After consideration of the public comments submitted  
10 under Subsection (e), the board shall vote on the issue described by  
11 the order or resolution under Subsection (b). The board may proceed  
12 with the withdrawal or dissolution only if two-thirds of all of the  
13 members of the board vote in favor of withdrawal or dissolution.

14           (g) If the board votes in favor of withdrawal or dissolution  
15 as provided by Subsection (f), the governing body of each member  
16 entity shall vote on the matter of withdrawal or dissolution.

17           (h) A withdrawal or dissolution authorized under this  
18 section does not take effect until:

19           (1) the governing body of each county and municipality  
20 has voted in favor of withdrawal or dissolution;

21           (2) all conditions specified in the financial  
22 agreement described by Subsection (d) have been met; and

23           (3) all actions described in the financial agreement  
24 described by Subsection (d) have been completed.

25           Sec. 19A. The board shall develop and implement policies  
26 that provide the public with a reasonable opportunity to appear  
27 before the board and to speak on any agenda item at board meetings.

1       Sec. 19B. A director who has a financial interest in a  
2 contract under consideration by the district for the purchase,  
3 sale, lease, rental, or supply of property, including supplies,  
4 materials, and equipment, or the construction of facilities, shall  
5 disclose that fact to the other members of the board and may not  
6 vote on or participate in discussions during board meetings on the  
7 acceptance of the contract. A financial interest of a director does  
8 not affect the validity of a contract if disclosure is made and the  
9 director with the financial interest does not vote on the question  
10 of entering into the contract.

11       Sec. 19C. Not earlier than the 10th day after the date a  
12 director receives written notice of a charge against the director,  
13 and after an opportunity to be heard in person or through the  
14 appearance of counsel at a public hearing on the matter of the  
15 charge described by the notice, the board may remove a director for:

- 16               (1) inefficiency;  
17               (2) neglect of duty; or  
18               (3) misconduct in office.

19       Sec. 19D. (a) A person who is appointed to and qualifies  
20 for office as a director may not vote, deliberate, or be counted as  
21 a director in attendance at a meeting of the board until the person  
22 completes a training program that complies with this section.

23       (b) The training program must provide the person with  
24 information regarding:

- 25               (1) the law governing district operations;  
26               (2) the programs, functions, rules, and budget of the  
27 district;

1           (3) the scope of and limitations on the rulemaking  
2 authority of the district;

3           (4) the results of the most recent formal audit of the  
4 district;

5           (5) the requirements of:

6                 (A) laws relating to open meetings, public  
7 information, administrative procedure, and disclosing conflicts of  
8 interest; and

9                 (B) other laws applicable to members of the  
10 governing body of a water district in performing their duties; and

11           (6) any applicable ethics policies adopted by the  
12 board or the Texas Ethics Commission.

13           (c) A person appointed to the board is entitled to  
14 reimbursement for the travel expenses incurred in attending the  
15 training program regardless of whether the attendance at the  
16 program occurs before or after the person qualifies for office.

17           (d) The board shall create a training manual that includes  
18 the information required by Subsection (b). The board shall  
19 distribute a copy of the training manual annually to each director.  
20 On receipt of the training manual, each director shall sign a  
21 statement acknowledging receipt of the training manual.

22           Sec. 19E. The board shall develop and implement policies  
23 that clearly separate the policymaking responsibilities of the  
24 board and the management responsibilities of the general manager  
25 and staff of the district.

26           Sec. 19F. (a) The district shall maintain a system to  
27 promptly and efficiently act on complaints filed with the district.

1 The district shall maintain information about parties to the  
2 complaint, the subject matter of the complaint, a summary of the  
3 results of the review or investigation of the complaint, and its  
4 disposition.

5 (b) The district shall make information available  
6 describing its procedures for complaint investigation and  
7 resolution.

8 (c) The district shall periodically notify the complaint  
9 parties of the status of the complaint until final disposition.

10 Sec. 19G. (a) The district shall develop a policy to  
11 encourage the use of:

12 (1) negotiated rulemaking procedures under Chapter  
13 2008, Government Code, for the adoption of district rules; and

14 (2) appropriate alternative dispute resolution  
15 procedures under Chapter 2009, Government Code, to assist in the  
16 resolution of internal and external disputes under the district's  
17 jurisdiction.

18 (b) The district's procedures relating to alternative  
19 dispute resolution must conform, to the extent possible, to any  
20 model guidelines issued by the State Office of Administrative  
21 Hearings for the use of alternative dispute resolution by state  
22 agencies.

23 (c) The district shall:

24 (1) coordinate the implementation of the policy  
25 adopted under Subsection (a);

26 (2) provide training as needed to implement the  
27 procedures for negotiated rulemaking or alternative dispute

1 resolution; and

2 (3) collect data concerning the effectiveness of those  
3 procedures.

4 SECTION 10. Section 325.025(b), Government Code, is amended  
5 to read as follows:

6 (b) This section applies to the:

7 (1) Angelina and Neches River Authority;

8 (2) Bandera County River Authority and Groundwater  
9 District;

10 (3) Brazos River Authority;

11 (4) Central Colorado River Authority;

12 (5) Guadalupe-Blanco River Authority;

13 (6) Lavaca-Navidad River Authority;

14 (7) Lower Colorado River Authority;

15 (8) Lower Neches Valley Authority;

16 (9) Nueces River Authority;

17 (10) [~~Palo Duro River Authority of Texas,~~

18 [~~11~~] Red River Authority of Texas;

19 (11) [~~12~~] Sabine River Authority of Texas;

20 (12) [~~13~~] San Antonio River Authority;

21 (13) [~~14~~] San Jacinto River Authority;

22 (14) [~~15~~] Sulphur River Basin Authority;

23 (15) [~~16~~] Trinity River Authority of Texas;

24 (16) [~~17~~] Upper Colorado River Authority; and

25 (17) [~~18~~] Upper Guadalupe River Authority.

26 SECTION 11. (a) The following sections of Chapter 438, Acts  
27 of the 63rd Legislature, Regular Session, 1973, are repealed:

- 1 (1) Section 1A;
- 2 (2) Section 2A;
- 3 (3) Section 2B;
- 4 (4) Section 4;
- 5 (5) Section 13(e);
- 6 (6) Section 28(i); and
- 7 (7) Section 30.

8 (b) The following sections are repealed:

- 9 (1) Section 9, Chapter 115, Acts of the 64th  
10 Legislature, Regular Session, 1975;
- 11 (2) Section 6, Chapter 17, Acts of the 68th  
12 Legislature, Regular Session, 1983; and
- 13 (3) Section 4, Chapter 651, Acts of the 70th  
14 Legislature, Regular Session, 1987.

15 SECTION 12. (a) Notwithstanding Section 19D(a), Chapter  
16 438, Acts of the 63rd Legislature, Regular Session, 1973, as added  
17 by this Act, a person serving on the board of directors of the Palo  
18 Duro Water District, as renamed by this Act, may vote, deliberate,  
19 and be counted as a director in attendance at a meeting of the board  
20 until December 1, 2017.

21 (b) This section expires January 1, 2018.

22 SECTION 13. (a) The legal notice of the intention to  
23 introduce this Act, setting forth the general substance of this  
24 Act, has been published as provided by law, and the notice and a  
25 copy of this Act have been furnished to all persons, agencies,  
26 officials, or entities to which they are required to be furnished  
27 under Section 59, Article XVI, Texas Constitution, and Chapter 313,

1 Government Code.

2 (b) The governor, one of the required recipients, has  
3 submitted the notice and Act to the Texas Commission on  
4 Environmental Quality.

5 (c) The Texas Commission on Environmental Quality has filed  
6 its recommendations relating to this Act with the governor, the  
7 lieutenant governor, and the speaker of the house of  
8 representatives within the required time.

9 (d) All requirements of the constitution and laws of this  
10 state and the rules and procedures of the legislature with respect  
11 to the notice, introduction, and passage of this Act are fulfilled  
12 and accomplished.

13 SECTION 14. This Act takes effect September 1, 2017.